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**FISCAL IMPACT STATEMENT**

**LS 6425**

**BILL NUMBER:** HB 1430

**NOTE PREPARED:** Dec 7, 2006

**BILL AMENDED:**

**SUBJECT:** Proof of Motor Vehicle Financial Responsibility.

**FIRST AUTHOR:** Rep. Ulmer

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill makes it a Class C infraction for an operator of a motor vehicle who is: (1) stopped by a law enforcement officer for a moving traffic offense; or (2) involved in an accident investigated by a law enforcement officer that results in death, injury, or property damage of at least \$1,000; to fail to submit to the officer proof of financial responsibility regarding the motor vehicle.

The bill requires a law enforcement officer who investigates a motor vehicle accident that results in personal injury, death, or property damage of at least \$1,000 to submit certain information, if possible, concerning proof of financial responsibility information to the State Police Department.

The bill requires the Bureau of Motor Vehicles (BMV) to adopt rules concerning proof of financial responsibility. It also makes conforming amendments.

**Effective Date:** Upon passage; July 1, 2007.

**Explanation of State Expenditures:** Requiring the BMV to adopt rules can be accomplished within existing levels of staff and resources. The fund affected is the Motor Vehicle Highway Account, which supports the BMV.

*Background Information:* In CY 2005, the BMV reported there were 93,171 citations issued for no insurance, resulting in 49,606 suspensions; 55,303 citations issued for no-insurance accidents, resulting in 41,230 suspensions; 3,660 suspensions for repeat no-insurance violations; and 3,860 no-insurance court suspensions. The accident threshold was \$750 for the accidents reported.

**Explanation of State Revenues:** *Penalty Provision:* If additional court cases occur and infraction judgments

and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the judicial salaries fee (\$15), the public defense administration fee (\$3), the court administration fee (\$2), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

**State Agencies Affected:** Bureau of Motor Vehicles.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Bureau of Motor Vehicles suspension and citation data for CY 2005.

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